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Message Text

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43
ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 AID-20 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

L-03 H-02 PA-03 PRS-01 USIA-12 FSE-00 ABF-01 RSR-01

/157 W
---------- 107499
P R 021700Z JUL 73
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC PRIORITY 9421
INFO AMEMBASSY BERN
AMEMBASSY BONN PRIORITY
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION EC BRUSSELS
USMISSION OECD PARIS UNN

UNCLAS VIENNA 5541

E. O. 11652: N/A
TAGS: EFIN, AU
SUBJECT: AUSTRIA ANNOUNCES SCHILLING REVALUATION

PASS TREASURY, FRB

REF: VIENNA 5490

1. ON LATE AFTERNOON JULY 2 FINANCE MINISTER ANDROSCH ANNOUNCED A REVALUATION OF THE AUSTRIAN SCHILLING BY 4.8 PERCENT.

2. IN ADDROSCH'S VIEW, AS OUTLINED IN OFFICIAL ANNOUNCEMENT, THIS RATE IS "IN INTEREST OF GOVERNMENT'S STABILIZATION EFFORTS, AS WELL AS OF AUSTRIAN IMPORTS AND IS DESIGNED TO PREVENT A FURTHER MIGRATION OF AUSTRIAN LABOR TO WESTERN FOREIGN
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COUNTRIES."

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3. THE DECISION WAS REACHED AT THE SO-CALLED "MONETARY SUMMIT", A MEETING WICH HAS LASTED ALL DAY BETWEEN REPRESENTATIVES OF GOA, NATIONAL BANK, THE CREDIT SYSTEM, AS WELL AS LABOR AND MANAGEMENT.

4. THE REVALUATION RATE REPRESENTS A COMPROMISE BETWEEN VIEWS OF BUSINESS REPRESENTED BY CHAMBER OF COMMERCE AND LEAGUE OF INDUSTRIALISTS WHICH HAD ENDEAVORED TO HOLD THE REVALUATION TO AN ABSOLUTE MINIMUM IN ORDER TO PROTECT EXPORTS AGAINST ADVERSE REPERCUSSIONS, AND REPRESENTATIVES OF LABOR WHICH FAVORED A REVALUATION RATE AS CLOSE TO THE GERMAN RATE OF 5.5 PERCENT AS POSSIBLE IN ORDER TO AVERT THE REVALUATION-INDUCED COST INCREASE IN IMPORTS FROM GERMENAY, WHICH MAKE UP OVER TWO-FIFTHS OF AUSTRIA'S TOTAL IMPORTS.

5. COMMENT: AFTER THE REVALUATION, ONE AUSTRIAN SCHILLING IS EQUIVALENT TO 0.0423597 SDRS. THE NEW THEORETICAL CENTRAL RATE IS AS 19.5693 FOR ONE U.S. DOLLAR. HOWEVER, LAST FLOATING RATE FOR DOLLAR WAS AS 18.36 IN VIENNA AND IS EXPECTED TO DECLINE. HUMES

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 02 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973VIENNA05541
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730757/aaaabqag.tel
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Original Previous Classification: n/a
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Previous Classification: n/a
Previous Handling Restrictions: n/a
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Review Event:
Review Exemptions: n/a
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Subject: AUSTRIA ANNOUNCES SCHILLING REVALUATION PASS TREASURY, FRB
TAGS: EFIN, AU
To: STATE
Type: TE
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